

**REMARKS**

Claims 2-4, 27, 29-30 and 32-36 are pending in the application. Claims 7, 9, 12, 13, 27 and 36 are in independent form. Claims 2-14 and 33-35 have been withdrawn from further consideration at this time. By this amendment, Claim 27 is amended and new Claim 36 has been added, and Claims 28 and 31 have been canceled.

**Claim Rejections Under 35 U.S.C. § 102**

Claims 27 and 29-32 stand rejected under 35 U.S.C. 102(b) as being anticipated by Takagi et al. (US 6,324,458).

Claim 27 has been amended by incorporating the substance of Claim 28 therein. New Claim 36 contains the substance of prior Claim 27 plus the substance of Claim 31, which previously depended upon Claim 27. As amended, Claim 27 recites a vehicle including a shift lever having a reverse position generating a reverse position signal, and a controller, coupled to the shift lever, with the controller applying brake-steer response to the reverse position signal, with the vehicle further including a transfer case having a transfer case mode, and with the controller changing the transfer case mode based on brake-steer. Claim 28 stands rejected under 35 U.S.C. 103(a) as being unpatentable over Takagi et al. (US 6,324,458) in view of Suzuki et al. (US 4,609,064). The Examiner states that although Tagaki fails to disclose a transfer case having a transfer case mode, and a control changing a transfer case mode based on brake-steer, Suzuki teaches a part-time four-wheel drive system having a changeover means from two- to four-wheel drive based upon steering angle of the vehicle. The Examiner concludes that it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the drive system as taught by Takagi to include the drive system automatically changing

from four-wheel drive to two-wheel drive based upon steering angle, to improve stability as a vehicle makes a sharp turn. Applicants respectfully traverse this rejection and request that newly amended Claim 27 be reconsidered in view of these remarks and passed to issue.

Applicants respectfully submit that neither Takagi, nor Suzuki, whether taken singly, or in combination with each other, either teach or suggest Applicants' claimed invention as set forth in amended Claim 27. The Examiner admits that Takagi discloses nothing regarding a transfer case mode for controlling a transfer case based on brake-steer. Applicants further submit, however, that Suzuki doesn't teach anything regarding brake-steer either. More specifically, Suzuki teaches that it may be desirable to avoid handling issues to shift from two-wheel drive to four-wheel drive on a sharp turn, but neither Takagi nor Suzuki either teaches, suggests, urges or discloses anything regarding brake steering in response to a four-wheel drive or two-wheel drive mode. As a result, Claim 27, as amended to include the substance of Claim 28, is allowable over the Examiner's rejection, currently applied to Claim 28, and should be passed to issue. Such action is earnestly solicited.

#### **New Claim**

New Claim 36, as noted above, contains the substance of Claims 27 and 31 which have both been in this case since it was filed. More specifically, new Claim 36 recites a vehicle having a shift lever with a reverse position generating a reverse position signal, and a controller coupled to the shift lever, with the controller applying brake-steer in response to the position signal, with the controller being programmed to apply brake-steer by applying an increased drive torque to a second wheel relative to a first wheel.

The Examiner seems to be misinterpreting the Takagi reference insofar as the Examiner asserts that Takagi discloses increasing drive torque of a second wheel relative to the first wheel as set forth in new Claim 36. The Examiner's citation to Takagi at Column 10, lines 3-46 discloses nothing regarding increasing drive torque to a second wheel relative to a first wheel. In fact, although Takagi discloses engine torque reduction in Figure 2A, there is no disclosure in either reference of a controller for brake steering which applies increased drive torque to a second wheel relative to a first wheel. As a result, Claim 36 is also allowable and should be passed to issue. Such action is earnestly solicited.

**Concluding Remarks**

Reconsideration of this application as amended is respectfully requested.

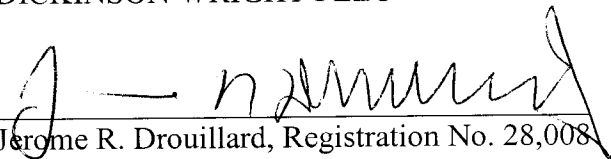
It is believed that this application is now in condition for allowance. Further and favorable action is requested.

The Patent Office is authorized to charge any fee deficiency or refund any excess to Deposit Account No. 06-1510.

Respectfully submitted,

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